

**CONTRACT #1**  
**RFS # 339.17-9610**  
**FA # ED-0924933-01**

**Mental Health & Developmental  
Disabilities**  
**Memphis Mental Health  
Institute (MMHI)**

**VENDOR:**  
**University of Tennessee**



STATE OF TENNESSEE  
**DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES**  
**MEMPHIS MENTAL HEALTH INSTITUTE**

P. O. Box 40966  
951 COURT AVENUE  
MEMPHIS, TENNESSEE 38174-0966

*FISCAL SERVICES*

MEMORANDUM

**TO:** Fiscal Review Committee

**FROM:** Linda C. White, Fiscal Director 339.17  
Memphis Mental Health Institute

**DATE:** March 4, 2010

**SUBJECT:** PSYCHIATRIC SERVICES-UNIVERSITY OF TENNESSEE ED09-24933-01  
(EDISON #5676) AMENDMENT FY2011

RECEIVED

MAR 11 2010

FISCAL REVIEW

Memphis Mental Health Institute (339.17) is requesting an amendment to the contract with The University of Tennessee (UT), ED09-24933-01, for FY2011 to extend the term of the contract to June 30, 2011. No additional funding is needed.

The services provided in the UT contract are essential to daily operations of the hospital in servicing our service recipients. We are required to provide adequate coverage at all times. The contract with UT will insure that in an emergency situation in which our regular staff Psychiatrist is unable to attend to the needs of service recipients, then UT would be able to readily assist us with a Psychiatrist. MMHI has maintained a longstanding relationship with UT. The training for the UT Residents also helps with their ability to provide the type of staff we need in an emergency. The relationship between MMHI and UT benefits both state facilities. MMHI provides a training environment for UT students and then UT provides staff that can service our recipients at a lower rate that is normally paid for those performing the service.

**NON-COMPETITIVE AMENDMENT REQUEST:**

APPROVED

Commissioner of Finance &amp; Administration

1) RFS #	339.17-9610 – Edison ID 5676	
2) Procuring Agency	Mental Health and Developmental Disabilities—Memphis Mental Health Institute	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Psychiatric and Resident Services	
4) Contractor :	University of Tennessee	
5) Contract #	ED0924933-01	
6) Contract Start Date :	July 1, 2008	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	June 30, 2011	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 891,188	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) Amendment #	2	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	July 1, 2010	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	June 30, 2011	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 891,188	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
<b>14) Description of the Proposed Amendment Effects &amp; Any Additional Service :</b>		
Psychiatric services through use of a West Tennessee medical schools' residential program. Amendment request is for contract term extension only, through June 30, 2011.		
<b>15) Explanation of Need for the Proposed Amendment :</b>		
University of Tennessee (UT) is the only medical school in West Tennessee that can provide the psychiatric coverage needed at Memphis Mental Health Institute (MMHI). Contracting with a Tennessee medical school for resident programs creates monetary savings for TDMH in the cost of psychiatric coverage over state or contract employees. Residents typically work for less than \$60,000 while hiring a full time psychiatrist with benefits runs in excess of \$170,000 a year. Amendment request is for contract term extension only, through June 30, 2011. No additional funds are needed. Surplus balances from prior years are projected to cover funds needed for FY2011. Therefore, the total maximum liability will remain the same as in prior year.		
<b>16) Name &amp; Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)</b>		
N/A, UT is a state education institution.		
<b>17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)</b>		

Documentation is ...  Not Applicable to this Request  Attached to this Request

18) eHealth Initiative Endorsement: (required for health-related professional, pharmaceutical, laboratory, or imaging service)

Documentation is ...  Not Applicable to this Request  Attached to this Request

19) Department of Human Resources Endorsement: (required for state employees training service)

Documentation is ...  Not Applicable to this Request  Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives:

MMHI has utilized the services from UT for many years since it is the only medical school in West Tennessee that can provide the needed psychiatric for our service recipients. Therefore, they were the sole source which eliminated competition.

21) Justification for the Proposed Non-Competitive Amendment:

UT is the only medical school in West Tennessee that can provide the psychiatric coverage needed at MMHI. Currently, MMHI uses the services of UT to provide psychiatric coverage to the service recipients at MMHI & the arrangement has been beneficial to both state agencies. This amendment is for extension to the contract term. It does not increase the current maximum liability.

AGENCY HEAD SIGNATURE & DATE:

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

  
SIGNATURE & DATE

3/10/10

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Linda C. White	*Contact Phone:	901-577-1821
*Original Contract Number:	ED-0924933-01	*Original RFS Number:	339.17-9610
Edison Contract Number: (if applicable)	5676	Edison RFS Number: (if applicable)	
*Original Contract Begin Date:	7/1/2008	*Current End Date:	6/30/2010
Current Request Amendment Number: (if applicable)	2		
Proposed Amendment Effective Date: (if applicable)	7/1/2010		
*Department Submitting:	TDMHDD		
*Division:	Memphis Mental Health Institute		
*Date Submitted:	3/08/2010		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	University of Tennessee		
*Current Maximum Liability:	\$891,188.00		
<b>*Current Contract Allocation by Fiscal Year:</b> <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY:2009	FY: 2010	FY:	FY:
\$ 545,957	\$345,231		
		\$	\$
		\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract:</b> <i>(attach backup documentation from STARS or FDAS report)</i>			
FY:2009	FY:2010	FY:	FY:
\$184,787.10	\$40,529.88	\$	\$
		\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent.	Funds remain available. Both revenue & spending is less than budgeted amount. No additional funds.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision.	The surplus from FY2009 & projected surplus for FY2010 will cover contract expenses for FY2011.		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage.	N/A		
*Contract	State:		Federal

**Supplemental Documentation Required for  
Fiscal Review Committee**

Funding Source/Amount			
Interdepartmental		Other	\$891,188.00
If "other" please define:		Current Service funds received from Patient billings paid by Insurance & TennCare.	
Dates of All Previous Amendments or Revisions: (if applicable)		Brief Description of Actions in Previous Amendments or Revisions: (if applicable)	
Amendment #1-3/11/2009		Submitted Non-Competitive Request for approval	
Method of Original Award: (if applicable)		Non-Competitive	
*What were the projected costs of the service for the entire term of the contract prior to contract award?		\$891,188.00	

Supplemental Documentation Required for  
Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made. N/A

**Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.**

Deliverable description:	FY:	FY:	FY:	FY:	FY:

**Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.**

Deliverable description:	FY:	FY:	FY:	FY:	FY:

**Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.**

Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

FY2010-EDISON

Unit	Voucher ID	Invoice #	Vendor ID	Vendor Name	Address 1	Address 2	City	St	Pd	Amount Pd	Pymnt Date	Pymnt	Pymnt ID/Wmt	Redeem	Redeemed Dt	Handling
33917	00001410	6469	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	4125.240	1/22/2010	CHK	0000376129	Recon	2/4/2010	RG
33917	00001409	6427	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	5041.960	1/22/2010	CHK	0000376129	Recon	2/4/2010	RG
33917	00001411	6714	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	5284.180	1/22/2010	CHK	0000376129	Recon	2/4/2010	RG
33917	00001495	6821	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	1325.000	2/1/2010	CHK	0000398168	Recon	2/17/2010	RG
33917	00001497	6832	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	1450.100	2/2/2010	CHK	0000400990	Recon	2/17/2010	RG
33917	00001412	6839	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	5284.180	2/2/2010	CHK	0000400990	Recon	2/17/2010	RG
33917	00001496	6846	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	11888.770	2/5/2010	CHK	0000411890	Unrecon		RG
33917	00001408	6916	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	475.000	2/9/2010	CHK	0000416651	Unrecon		RG
33917	00001570	6944	0000002802	The University Of Tn Health Science C	Fin & Oper	62 Dunlap St Rn	Memphis	TN	38	5657.450	2/10/2010	CHK	0000422109	Unrecon		RG

TOTAL

\$ 40,529.88

**Total Payr** 37 UT RESIDENTS & PSYCH CONTRACT EDISON PAYMENTS--FY2009

Unit	Voucher	Invoice	Remi	Name	Gross Amt	Reference	Pymnt Dat	Recd	Reconciler	Warrant Amount	Method
33917	00000658	5873-May 0	0000	The University Of Tn Heal	7141.880	000011371	9/10/2009	REC	9/22/2009	7141.880	CHK
33917	00000331	5868-June	0000	The University Of Tn Heal	9629.040	000008410	8/4/2009	REC	8/15/2009	14636.120	CHK
33917	00000218	5756-Mar &	0000	The University Of Tn Heal	12793.680	000007175	7/14/2009	REC	7/25/2009	12793.680	CHK
33917	00000206	5183-Jan 09	0000	The University Of Tn Heal	8941.440	000006816	7/8/2009	REC	7/18/2009	8941.440	CHK
33917	00000177	5209-July -	0000	The University Of Tn Heal	89514.240	000006638	7/6/2009	REC	7/18/2009	91089.240	CHK
33917	00000176	5202-Feb 09	0000	The University Of Tn Heal	7718.160	000006567	7/2/2009	REC	7/16/2009	11193.160	CHK

**TOTAL UT PAYMENTS EDISON-FY09 \$ 135,738.44**

TOTAL UT PAYMENTS-STARs-FY09:

PAYMENTS FROM S071 \$ 34,133.62  
 OTHER STARS PAYMENT \$ 14,915.04

**TOTAL UT STARS PAYMENTS-FY09 \$ 49,048.66**

**\$ 184,787.10**

FY 2009-EDISON

37 UT RESIDENTS & PSYCH CONTRACT PAYMENTS-FY2009

Unit	Voucher	Invoice	Remit Vndr	Name	Gross Amt	Reference	Pymnt Date	Recon	Reconciled Date	Warrant Amount	Method
339	00000658	5873-May 09 I & R	0000002802	The University Of Tn Hea	7141.880	0000113716	9/10/2009	REC	9/22/2009	7141.880	CHK
339	00000331	5868--June 09 I & R	0000002802	The University Of Tn Hea	9629.040	0000084104	8/4/2009	REC	8/15/2009	14636.120	CHK
339	00000218	5756-Mar & Apr 09 I & R	0000002802	The University Of Tn Hea	12793.680	0000071753	7/14/2009	REC	7/25/2009	12793.680	CHK
339	00000206	5183--Jan 09 I & R	0000002802	The University Of Tn Hea	8941.440	0000068160	7/8/2009	REC	7/18/2009	8941.440	CHK
339	00000177	5209--July - November 2008 Psy	0000002802	The University Of Tn Hea	89514.240	0000066383	7/6/2009	REC	7/18/2009	91089.240	CHK
339	00000176	5202--Feb 09 I & R	0000002802	The University Of Tn Hea	7718.160	0000065676	7/2/2009	REC	7/16/2009	11193.160	CHK

TOTAL UT PAYMENTS-EDISON-FY09

\$ 135,738.44

REPORT-ID: AG05B807-01

STATE OF TENNESSEE  
STATEWIDE ACCOUNTING AND REPORTING SYSTEM  
REPORT OF OUTSTANDING ENCUMBRANCES AND REQUISITIONS  
ACCOUNTING DATE 03/31/09

ADMIN AGENCY 339.01  
DEPARTMENT OF MENTAL HEALTH AN  
ADMINISTRATIVE SERVICES DIVISI  
PAGE 10852

04/18/09 (13:14) PM

DEPARTMENT 339 DEPARTMENT OF MENTAL HEALTH AN  
DIVISION 17 MEMPHIS MENTAL HEALTH INSTITUT  
FUND 11 GENERAL FUND  
GL ACCOUNT 0450 CONTRACT ENCUMBRANCES  
FFY 09

DOC-NO-SUEX CREATE-DT	REQ-NO LAST-PROC	C CNTR CLOSE-DT	OBJ	AGY OBJ	VENDOR-NO VENDOR NAME	GRANT/ SUB-GR	ORIGINAL EXPENDITURES	ADJUSTMENTS	LIQUIDATIONS RETAINED	BALANCE
ED0401188-00 08/08/08	09/12/08	30221	25Z	407	C626001636-R3 UNIV OF TENNESSEE		904,065.17 36,362.55	0.00	0.00	36,362.55 867,702.62
	070103				PSYCHIATRISTS 06/30/08					
ED0924933-00 07/09/08	04/08/09	30221	25Z	407	C626001636-R3 UNIV OF TENNESSEE		545,957.00 49,048.66	0.00	0.00	49,048.66 496,908.34
	070108				PSYCHIATRISTS 06/30/09					
ED0926515-00 11/13/08	04/09/09	30351	25Z	407	C626001636-R3 UNIV OF TENNESSEE		46,950.00 15,525.65	0.00	0.00	15,525.65 31,424.35
	101408				PHARMACIST SERVICES 06/30/13					
FA0415241-00 08/08/08	02/06/09	10210	089	435	V621019649-00 COMCARE, INC		6,669.27 219.31	0.00	0.00	219.31 6,449.96
	070103				CONSERVATOR SERVS FOR THE 5RMHIS 06/30/08					
FA0415241-01 08/08/08	08/20/08	10210	089	435	V621019649-00 COMCARE, INC		0.84 0.84	0.00	0.00	0.84 0.00
	070103				CONSERVATOR SERVS FOR THE 5RMHIS 06/30/08					
FA0415241-02 08/08/08	08/08/08	10210	089	435	V621019649-00 COMCARE, INC		2,528.00 0.00	0.00	0.00	0.00 2,528.00
	070103				CONSERVATOR SERVS FOR THE 5RMHIS 06/30/08					
FA0415241-03 08/08/08	08/08/08	10210	089	435	V621019649-00 COMCARE, INC		672.79 0.00	0.00	0.00	0.00 672.79
	070103				CONSERVATOR SERVS FOR THE 5RMHIS 06/30/08					
FA0516249-00 07/23/08	10/07/08	20635	083	999	V541448142-00 NASMHPD RESEARCH INSTITUTE		9,178.50 1,737.50	0.00	0.00	1,737.50 7,441.00
	030105				ORYX PERFORMANCE MEASURES 02/28/09					

FY2009

TN3270 - EXTRA Enterprise

File Edit View Tools Session Options Help

S064 S T A R S 03/31/09  
DOCUMENT FILE 09:52

DIRECT ACCESS:

FUNCTION: N (I, N), F1-HELP, F2-RETURN TO MENU, F4-END DIRECT ACCESS

DEPT: 339 DIV: 17 FFY: 09 FUND: 11 DOC NO: ED0924933 00 GL ACCT: 0450  
PERIOD SELECTION: CMB (CMB PMB PY)

DESCRIPTION: 070108 PSYCHIATRISTS  
COST CENTER: 30221 OBJ: 25Z AGY OBJ: 407 SRC: AGY SRC:  
ORG CODE: 30 20 20 PROJECT: LOCATION:  
PGM CODE: GRANT: SUB ACCT:  
VENDOR NO: C626001636 R3 VENDOR NAME: UNIV OF TENNESSEE

DATE SEGMENT	DOCUMENT AMT:	545,957.00
CREATE: 070908	ADJUSTMENTS:	.00
LAST PROC: 032009	LIQUIDATIONS:	34,133.62-
CLOSE:	RECEIPT/PYMT:	34,133.62
DUE:	RETENTION:	.00
DOCUMENT: 063009	BALANCE	511,823.38

Z07 NEXT REC DISPLAYED  
Z41 ENTER INQUIRY DATA

05/013

UT.PSYCH/RESIDE  
ED09-24933

\$ 34,133.62

TN3270 - EXTRA Enterprise

File Edit View Tools Session Options Help

S071 S T A R S 03/31/09  
VENDOR PAYMENT FILE 10:00

DIRECT ACCESS:

FUNCTION: N (I,N), PF1=HELP, PF2=RETURN TO MENU, PF4=END DIRECT ACCESS

VENDOR NO: C626001636 73 DEPT: 339 DIV: 17 INVOICE NO: 3669  
VENDOR NAME: UNIVERSITY OF TENNESSEE VENDOR TYPE: F

TRANSACTION ID INVOICE NO	TC R	CUR DOC NO DUE DATE	REF DOC NO PROC DATE REDEEM DT	WARRANT NO AMOUNT
33917080606D00100001 3669	102	1161 06/06/08	DP0820780 00 06/11/08 06/13/08	R669665 4,325.00
33917080710D00300001 3810	102	1298 07/10/08	DP0820780 00 07/15/08 07/17/08	R717010 2,725.00
33917080811D00100001 3955	102	120 08/11/08	DP0820780 01 08/21/08 08/25/08	R758763 3,700.00
33917081031D00100001 4315	102	478 10/31/08	DP0924614 00 11/10/08 11/13/08	R853745 3,775.00
33917090309D00300003 4392	103	883 03/09/09	ED0924933 00 03/20/09 03/24/09	R998261 5,525.52

Z07 NEXT REC DISPLAYED  
Z41 ENTER INQUIRY DATA

05/013

*FX 2009*

\$ 5,525.52

TN3270 - EXTRA Enterprise

File Edit View Tools Session Options Help

S071 S T A R S 03/31/09  
VENDOR PAYMENT FILE 10:01

DIRECT ACCESS:

FUNCTION: N (I,N), PF1=HELP, PF2=RETURN TO MENU, PF4=END DIRECT ACCESS

VENDOR NO: C626001636 73 DEPT: 339 DIV: 17 INVOICE NO: 4392  
VENDOR NAME: UNIVERSITY OF TENNESSEE VENDOR TYPE: F

TRANSACTION ID INVOICE NO	TC R	CUR DOC NO DUE DATE	REF DOC NO PROC DATE REDEEM DT	WARRANT NO AMOUNT
33917090309D00300004 4392	103	883 03/09/09	ED0924933 00 03/20/09 03/24/09	R998261 10,090.08
33917081121D00100005	102	553	DP0924614 00	R885128

Z07 NEXT REC DISPLAYED  
Z41 ENTER INQUIRY DATA

05/013

\$ 10,090.08

4432		11/21/08	12/04/08	12/08/08	925.00
33917081208D00100004	102	583	DP0924614 00	R905668	
4444		12/08/08	12/18/08	12/22/08	1,050.00
33917081208D00100001	102	583	DP0924614 00	R905668	
4510		12/08/08	12/18/08	12/22/08	1,050.00
33917081208D00100002	102	583	DP0924614 00	R905668	
4511		12/08/08	12/18/08	12/22/08	2,000.00

Z07 NEXT REC DISPLAYED  
Z41 ENTER INQUIRY DATA

00.1 05/013

TNE270 - EXTRA Enterprise

S071 S T A R S 03/31/09  
VENDOR PAYMENT FILE 10:01

DIRECT ACCESS:  
FUNCTION: N (I,N), PF1=HELP, PF2=RETURN TO MENU, PF4=END DIRECT ACCESS

VENDOR NO: C626001636 73 DEPT: 339 DIV: 17 INVOICE NO: 4512  
VENDOR NAME: UNIVERSITY OF TENNESSEE VENDOR TYPE: F

TRANSACTION ID	TC R	CUR DOC NO	REF DOC NO	WARRANT NO	
INVOICE NO		DUE DATE	PROC DATE	REDEEM DT	AMOUNT
33917081208D00100003	102	583	DP0924614 00	R905668	
4512		12/08/08	12/18/08	12/22/08	3,150.00
33917090204D00100001	103	760	ED0924933 00	R964039	
4663		02/05/09	02/13/09	02/18/09	10,308.40
33917090127D00100001	102	756	DP0924614 00	R954417	
4736		01/27/09	02/06/09	02/10/09	4,250.00
33917090309D00300005	103	883	ED0924933 00	R998261	
4908		03/09/09	03/20/09	03/24/09	8,209.62
33917090309D00200001	102	880	DP0924613 00	S002593	
4922		03/09/09	03/26/09	03/30/09	2,700.00

Z07 NEXT REC DISPLAYED  
Z41 ENTER INQUIRY DATA

00.1 05/013

\$ 10,308.40

\$ 8,209.62

\$ 34,133.62

\$ 14,915.04

\$ 49,048.66

ADDITIONAL PAYMENTS FROM STARS-(COULD NOT GET VEND PYMT SCREEN PRINT, SEE AG05B807 RPT):

INV #4565 CK#S011199	\$ 10,101.84	See YTD Encumb Rpt #807
INV #4915 CK#S011199	\$ 4,813.20	See YTD Encumb Rpt #807
	\$ 14,915.04	

**TOTAL STARS PAYMENTS-UT RES & PSYCH CONT-FY2009 \$ 49,048.66**

F/2009



# C O N T R A C T   A M E N D M E N T

<b>Agency Tracking #</b> 33917-9610	<b>Edison ID</b> 5676	<b>Contract #</b> ED-09-24933-01	<b>Amendment #</b> 2
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<b>Contractor</b> University of Tennessee	<b>Contractor Federal Employer Identification or Social Security #</b> <input checked="" type="checkbox"/> C- or <input type="checkbox"/> V- 62-6001636-R3
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**Amendment Purpose/ Effects**  
Amendment #2 for Psychiatrists (1 Psychiatrist & 3 Psychiatric Residents)

<b>Contract Begin Date</b> 7/1/2008	<b>Contract End Date</b> 6/30/2011	<b>Subrecipient or Vendor</b> <input checked="" type="checkbox"/> Subrecipient <input type="checkbox"/> Vendor	<b>CFDA #(s)</b>
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2009				\$545,957.00	\$545,957.00
2010				\$345,231.00	\$345,231.00
2011				.00	.00
<b>TOTAL:</b>				\$891,188.00	\$891,188.00

American Recovery and Reinvestment Act (ARRA) Funding -  YES  NO

<b>— COMPLETE FOR AMENDMENTS —</b>			<b>Agency Contact &amp; Telephone #</b> Gene Wood (615) 532-6676
<b>END DATE AMENDED?</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	<b>Agency Budget Officer Approval</b> (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
2009	\$545,957.00		
2010	\$345,231.00		
2011		\$.00	
<b>TOTAL:</b>	<b>\$891,188.00</b>	<b>\$.00</b>	<b>Speed Code</b> _____ <b>Account Code</b> 33917301000/7259900

<b>— OCR USE —</b>	<b>Procurement Process Summary</b> (non-competitive, FA- or ED-type only) Non-competitive
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**AMENDMENT TWO  
TO ED09-24933-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Mental Health Developmental Disabilities—Memphis Mental Health Institute, hereinafter referred to as the "State" and The University of Tennessee, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section B.1. is deleted in its entirety and replaced with the following:
  - B.1. Contract Term. This Contract shall be effective for the period commencing on July 1, 2008 and ending on June 30, 2011. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

The revisions set forth herein shall be effective July 1, 2010. All other terms and conditions not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,  
UNIVERSITY OF TENNESSEE:**

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**CONTRACTOR SIGNATURE**

**DATE**

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**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES:**

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**VIRGINIA T. BETTS, MSN, JD, RN, FAAN, COMMISSIONER**

**DATE**

**APPROVED:**

---

**M.D.GOETZ, JR., COMMISSIONER**

**DATE**

**DEPARTMENT OF FINANCE AND ADMINISTRATION**

---

**DEBORAH E. STORY, COMMISSIONER  
DEPARTMENT OF HUMAN RESOURCES**

**DATE**

---

**JUSTIN P. WILSON  
COMPTROLLER OF THE TREASURY**

**DATE**



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North - 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

Sen. Bill Ketron, Chairman  
Senators

Douglas Henry           Reginald Tate  
Doug Jackson           Ken Yager  
Paul Stanley  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman  
Representatives

Harry Brooks           Donna Rowland  
Curtis Johnson         Tony Shipley  
Steve McManus         Curry Todd  
Mary Pruitt             Eddie Yokley  
Craig Fitzhugh, *ex officio*  
Speaker Kent Williams, *ex officio*

MEMORANDUM

TO:                    The Honorable Dave Goetz, Commissioner  
                          Department of Finance and Administration

FROM:                 Bill Ketron, Chairman, Fiscal Review Committee  
                          Charles Curtiss, Vice-Chairman, Fiscal Review Committee

DATE:                 May 14, 2009

SUBJECT:             **Contract Comments**  
                          (Fiscal Review Committee Meeting 5/11/09)

RFS# 339.17-961

Department: Mental Health & Developmental Disabilities

Division: Memphis Mental Health Institute

Contractor: University of Tennessee

Summary: The vendor is currently responsible for the provision of psychiatric and resident services at the Western Mental Health Institute. The proposed amendment extends the contract for an additional year through June 30, 2010, and increases the maximum liability by \$345,231. Maximum liability: \$545,957

Maximum liability w/amendment \$891,188

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment contingent upon the Department adding language prohibiting the use of illegal immigrants in performing services.

cc: The Honorable Virginia Betts, Commissioner  
Mr. Robert Barlow, Director, Office of Contracts Review



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North -- 8th Floor  
NASHVILLE, TENNESSEE 37243-0057  
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Craig Fitzhugh, *ex officio*  
Speaker Kent Williams, *ex officio*

MEMORANDUM

TO:                    The Honorable Dave Goetz, Commissioner  
                          Department of Finance and Administration

FROM:                Bill Ketron, Chairman, Fiscal Review Committee  
                          Charles Curtiss, Vice-Chairman, Fiscal Review Committee

DATE:                April 29, 2009

SUBJECT:            **Contract Comments**  
                          (Fiscal Review Committee Meeting 4/27/09)

RFS# 339.17-961  
Department: Mental Health & Developmental Disabilities  
Division: Memphis Mental Health Institute  
Contractor: University of Tennessee  
Summary: The vendor is currently responsible for the provision of psychiatric and resident services at the Western Mental Health Institute. The proposed amendment extends the contract for an additional year through June 30, 2010, and increases the maximum liability by \$351,077.  
Maximum liability: \$545,957  
Maximum liability w/amendment \$897,034

The Fiscal Review Committee deferred action on the contract amendment until the next meeting.

cc: The Honorable Virginia Betts, Commissioner  
      Mr. Robert Barlow, Director, Office of Contracts Review

RECEIVED  
APR 24 2009  
FISCAL REVIEW



STATE OF TENNESSEE  
**DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES**  
**MEMPHIS MENTAL HEALTH INSTITUTE**

P. O. Box 40966  
951 COURT AVENUE  
MEMPHIS, TENNESSEE 38174-0966

*FISCAL SERVICES*

**MEMORANDUM**

**TO:** Fiscal Review Committee  
TDMHDD

**FROM:** Linda C. White  
Fiscal Director 339.17

**DATE:** April 22, 2009

**SUBJECT:** PSYCHIATRIC SERVICES-UNIVERSITY OF TENNESSEE ED09-24933-00  
AMENDMENT FY2010

Memphis Mental Health Institute (339.17) is requesting an amendment to the contract with The University of Tennessee (UT), ED09-24933-00, for FY2010 in the amount of \$345,231.00.

This total includes a 3% decrease in the rate of pay for the Psychiatrist position. The services are essential to daily operations of the hospital in meeting the staffing needs of our service recipients. We are required to provide adequate coverage at all times. The contract with UT has allowed us another avenue for staffing at a lower cost. MMHI has maintained a longstanding relationship with UT and its training needs. The training for the UT Residents also helps with their ability to provide the type of staff we need for this facility. The relationship between MMHI & UT benefits both state facilities. MMHI provides a training environment for UT students. UT, then provides staff that can service our recipients at a lower rate than is normally paid for those performing the same service.

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Linda C. White	*Contact Phone:	901-577-1821		
*Contract Number:	ED-0924933	*RFS Number:	339.17-961		
*Original Contract Begin Date:	7/1/2008	*Current End Date:	6/30/2009		
Current Request Amendment Number: <i>(if applicable)</i>	N/A-Original contract				
Proposed Amendment Effective Date: <i>(if applicable)</i>	7/1/2009				
*Department Submitting:	TDMHDD				
*Division:	Memphis Mental Health Institute				
*Date Submitted:	3/11/2009				
*Submitted Within Sixty (60) days: <i>If not, explain:</i>	Yes				
*Contract Vendor Name:	University of Tennessee				
*Current Maximum Liability:	\$545,957.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY:2009	FY:	FY:	FY:	FY	FY
\$545,957.00	\$	\$	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY:2009	FY:	FY:	FY:	FY	FY
\$10,308.40	\$	\$	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			It was originally projected that all of the contracted amount would be expended this year. But due to the difficulties we had in recruiting & retaining people for the 2 Psychiatrist positions the contracted amount will not be used in its entirety. The more accurate YTD amount to be expended for services from the UT contract will be approximately \$91,508. An additional \$81,200 is in process for payment for a psychiatrist that worked through Nov, 2008. The contract amount for FY2010 totals \$351,077 which includes a reduction in the number of Psychiatrist from 2 to 1 & a decrease of 3% in the rate of pay per day for the Psychiatrist position being retained.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:					

Supplemental Documentation Required for  
Fiscal Review Committee

IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			
*Contract Funding Source/Amount:	State:	Federal:	
Interdepartmental:		Other:	\$345,231.00
If "other" please define:		Current Service funds received from Patient billings paid by Insurance or TennCare.	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A, no other amendments			
Method of Original Award: <i>(if applicable)</i>		Non-Competitive	

UT PSYCH & RESIDENT  
FY2010

				REVISED	ORIGINAL CONTRACT	
				CONTRACT AMT	FY2010	SAVINGS
DESCRIPTION	# POS	RATE/DAY-FY2010	#DAYS	FY2010	CONTRACT TOTAL	
PSYCHIATRISTS*	1	\$ 904.47	209	\$ 189,034	\$194,880	
RESIDENTS--1ST YEAR	1	\$ 229.18	220	\$ 50,420	\$50,420	
RESIDENTS--2ND YEAR	1	\$ 240.19	215	\$ 51,640	\$51,640	
RESIDENTS--4TH YEAR	1	\$ 251.80	215	\$ 54,137	\$54,137	
TOTAL				\$ 345,231	\$351,077	(\$5,846)
*3% DECR IN RT/DAY						

RESIDENT EXPENDITURES				TOTAL
MID EXP STARS RPT # S064 @ 3/31/09	RESIDENT PYMNTS	AGTUAL	\$	34,133.62
V#1050-WIP	RESID PYMNTS IN PROCESS		\$	14,915.04
WIP-INVOICED, NOT PROCESSED	RESIDENT PYMNTS		\$	8,941.44
				\$ 57,990.10
PSYCHIATRIST EXPENDITURES				
EXP IN PROCESS (NOT INVOICED-EST):	RATE/MONTH	# MONTHS		
DR AHMED				
JUL08-NOV08=5MO				
\$932.44/DAY*209 DAYS				
"=\$194,880/YR=\$16,240/MO"	\$16,240	5	\$	81,200.00
				\$ 81,200.00
TOTAL EST EXP @ 3/12/09				\$ 139,190.10
PROJECTED RESIDENT COST				
FEB-JUN, 2009--2ND YR	\$ 4,303.33	5	\$	21,516.65
FEB-JUN, 2009--4TH YR	\$ 4,511.42	5	\$	22,557.10
FEB-JUN, 2009--1ST YR	\$ 4,201.67	5	\$	21,008.35
TOTAL ESTIMATE FOR FY2009			\$	65,082.10
				\$ 204,272.20

# NON-COMPETITIVE AMENDMENT REQUEST:

## REVISED 4 24 09

APPROVED

Commissioner of Finance &amp; Administration

1) RFS #	339.17-961	
2) Procuring Agency :	Mental Health and Developmental Disabilities—Memphis Mental Health Institute	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Psychiatric and Resident Services	
4) Contractor :	University of Tennessee	
5) Contract #	ED0924933	
6) Contract Start Date :	July 1, 2008	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	June 30, 2009	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 545,957.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) Amendment #	1	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	July 1, 2009	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	June 30, 2010	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$891,188.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service	Psychiatric services through use of a West Tennessee medical schools' residential program	
15) Explanation of Need for the Proposed Amendment :	<p>University of Tennessee (UT) is the only medical school in West Tennessee that can provide the psychiatric coverage needed at Memphis Mental Health Institute (MMHI). Contracting with a Tennessee medical school for resident programs creates monetary savings for TDMH in the cost of psychiatric coverage over state or contract employees. Residents typically work for less than \$60,000 a year while hiring a full time psychiatrist with benefits runs in excess of \$170,000 a year.</p>	
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)	N/A, UT is a state education institution.	
17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)		

Documentation is ...  Not Applicable to this Request  Attached to this Request

18) eHealth Initiative Endorsement: (required for health-related professional, pharmaceutical, laboratory, or imaging service)

Documentation is ...  Not Applicable to this Request  Attached to this Request

19) Department of Human Resources Endorsement: (required for state employees training service)

Documentation is ...  Not Applicable to this Request  Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives:

MMHI has utilized the services from UT for many years since it is the only medical school in West Tennessee that can provide the needed psychiatric services for our service recipients.

21) Justification for the Proposed Non-Competitive Amendment:

UT is the only medical school in West Tennessee that can provide the psychiatric coverage needed at MMHI. Currently, MMHI uses the services of UT to provide psychiatric coverage to the service recipients at MMHI and the arrangement has been beneficial to both state agencies.

**AGENCY HEAD SIGNATURE & DATE**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

*William J. Belts*  
SIGNATURE & DATE

4/24/09

FY 2010

8500010318  
AMENDK-4-22-09



### CONTRACT AMENDMENT

Agency Tracking # <b>33917-9610</b>	Edison ID <b>5676</b>	Amendment # <b>01</b>
--	--------------------------	--------------------------

Contractor UNIVERSITY OF TENNESSEE	Contractor Federal Employer Identification or Social Security # <input checked="" type="checkbox"/> C- or <input type="checkbox"/> V- 62-6001636-R3
---------------------------------------	--

Amendment Purpose/ Effects  
PSYCHIATRISTS (1 PSYCHIATRISTS & 3 PSYCHIATRIC RESIDENTS)

Contract Begin Date 7/1/2008	Contract End Date 6/30/2010	Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input type="checkbox"/> Vendor	CFDA #(s)
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2009				\$545,957.00	\$545,957.00
2010				\$345,231.00	\$345,231.00
<b>TOTAL:</b>				\$891,188.00	\$891,188.00

— COMPLETE FOR AMENDMENTS —			Agency Contact & Telephone # Gene Wood (615) 532-6676
END DATE AMENDED? <input type="checkbox"/> YES <input type="checkbox"/> NO			Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)  <i>Gene Wood</i>
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	
2009	\$545,957.00		
2010		\$345,231.00	
<b>TOTAL:</b>	\$545,957.00	\$345,231.00	Speed Code Account Code 302210/25Z407

— OCR USE — Procurement Process Summary (non-competitive, FA- or ED-type only)

*M. J. [Signature]*  
F&A Secured Document  
# ED0924933-01

RECEIVED  
OCT 16 2009  
FISCAL REVIEW

**AMENDMENT ONE  
TO ED09-24933-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Mental Health Developmental Disabilities—Memphis Mental Health Institute, hereinafter referred to as the "State" and The University of Tennessee, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section B.1. is deleted in its entirety and replaced with the following:
  - B.1. Contract Term. This Contract shall be effective for the period commencing on July 1, 2008 and ending on June 30, 2010. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
  
2. The text of Contract Section C.1. and C.3. is deleted in its entirety and replaced with the following:
  - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Eight Hundred Ninety One Thousand One Hundred Eighty Eight Dollars (\$891,188.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.
 

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract
  
  - C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.
    - a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
    - b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
One (1) Psychiatrist-Staff	\$904.47/day
One (1) Resident-1 <sup>st</sup> year	\$229.18/day
One (1) Resident-2 <sup>nd</sup> year	\$240.19/day
One (1) resident-4 <sup>th</sup> year*	\$251.80/day

*Residency not used for 3 <sup>rd</sup> year students	
---	--

The Contractor will be allowed a maximum number of billable days per position per contract as follows:

Full-time Psychiatrist (1) will be allowed up to 1,672 hours or 209 days.

Resident-1<sup>st</sup> year will be allowed up to 1,760 hours or 220 days.

Resident-2<sup>nd</sup> & 4<sup>th</sup> year will be allowed up to 1,720 hours or 215 days.

- c. The Contractor shall not be compensated for travel time to the primary location of service provision.
- d. A "day" shall be defined as a minimum of eight (8) hours of service. If the Contractor provides fewer than eight (8) hours of service in a standard twenty-four (24) hour day, the Contractor shall bill *pro rata* for only those portions of the day in which service was actually delivered. The Contractor shall not bill more than the daily rate even if the Contractor works more than eight (8) hours in a day.

3. The following provision is added as Contract Section E.12:

E.12. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of Illegal Immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 1, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to

supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

The revisions set forth herein shall be effective July 1, 2009. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,  
UNIVERSITY OF TENNESSEE:



JUN 19 2009

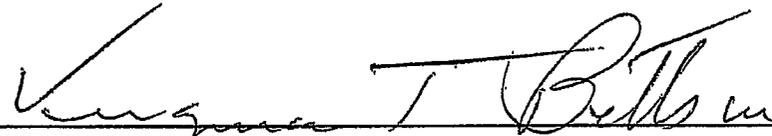
CONTRACTOR SIGNATURE

Anthony A. Ferrara  
Vice Chancellor  
Finance & Operations

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES:



7-1-09

VIRGINIA T. BEPTS, MSN, JD, RN, FAAN, COMMISSIONER

DATE

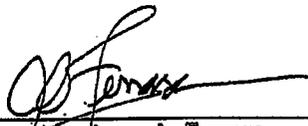
## ATTACHMENT 1

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	ED-09-24933-00
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	University of Tennessee
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)</b>	62-6001636

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

JUN 19 2009




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**CONTRACTOR SIGNATURE**
**Anthony A. Ferrara**  
**Vice Chancellor**  
**Finance & Operations**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

---

**PRINTED NAME AND TITLE OF SIGNATORY**


---

**DATE OF ATTESTATION**



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**  
Representatives

**Sen. Douglas Henry, Vice-Chairman**  
Senators

Curt Cobb	Donna Rowland	Doug Jackson	Reginald Tate
Curtiss Johnson	David Shepard	Bill Ketron	Jamie Woodson
Gerald McCormick	Curry Todd	Paul Stanley	
Mary Pruitt	Eddie Yokley	Randy McNally, <i>ex officio</i>	
Craig Fitzhugh, <i>ex officio</i>		Lt. Governor Ron Ramsey, <i>ex officio</i>	
Speaker Jimmy Naifeh, <i>ex officio</i>			

**M E M O R A N D U M**

**TO:** The Honorable Dave Goetz, Commissioner  
Department of Finance and Administration

**FROM:** Charles Curtiss, Chairman, Fiscal Review Committee  
Bill Ketron, Chairman, Contract Services Subcommittee *cc BK*

**DATE:** May 1, 2008

**SUBJECT:** **Contract Comments**  
(Contract Services Subcommittee Meetings 4/21 & 4/28)

**RFS# 339.17-961**

**Department: Mental Health and Developmental Disabilities**

**Contractor: University of Tennessee**

**Summary:** The proposed one-year contract is for the provision of psychiatric and medical coverage to those service recipients admitted to the Memphis Mental Health Institute and placed on units designated as being covered by the University of Tennessee. The contract has a term beginning July 1, 2008, and ending June 30, 2009, with the option to extend in one-year increments for a total of five years.

**Maximum liability for 1<sup>st</sup> year: \$545,957**

**Maximum liability if extended for 5 years: \$2,729,800**

After review, the Fiscal Review Committee voted to recommend approval of the contract.

**cc:** The Honorable Virginia Trotter Betts, Commissioner  
Mr. Robert Barlow, Director, Office of Contracts Review



RECEIVED

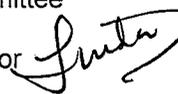
APR 11 2008

FISCAL REVIEW

STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES  
MENTAL HEALTH SERVICES  
Cordell Hull Building - 3<sup>rd</sup> Floor  
425 5<sup>th</sup> Avenue North  
Nashville, Tennessee 37243

April 10, 2008

MEMORANDUM TO: Fiscal Review Committee

FROM: Linda Parker, Director   
Program Support

RE: Non-Competitive Contract Request  
University of Tennessee, Memphis  
Psychiatric and Resident Services

We currently contract with the University of Tennessee for Psychiatric Physicians and Residents to provide services to service recipients at the Memphis Mental Health Institute. This contract was secured through a non-competitive process and expires June 30, 2008.

This Non Competitive Contract Request seeks authorization to enter into a one year contract with UT with the option to renew the contract for an additional four years. Attached is the request and proposed contract.

Please let me know if you need additional information.

Thank you.

# REQUEST: NON-COMPETITIVE CONTRACT

APPROVED	<h2 style="margin: 0;">RECEIVED</h2> <p style="margin: 0;">APR 11 2008</p> <h2 style="margin: 0;">FISCAL REVIEW</h2>
Commissioner of Finance & Administration Date:	

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request can not be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) RFS #	339.17-961	
2) State Agency Name :	Mental Health and Developmental Disabilities – Memphis Mental Health Institute	
3) Service Caption :	Psychiatric and Resident Services	
4) Proposed Contractor :	University of Tennessee	
5) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)	July 1, 2008	
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 30, 2013	
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$2,729,800	
8) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state	
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
9) Description of Service to be Acquired :	Psychiatric services through use of a West Tennessee medical schools' residential program.	
10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :	<p>University of Tennessee (UT) is the only medical school in West Tennessee that can provide the psychiatric coverage needed at Memphis Mental Health Institute (MMHI). Contracting with a Tennessee medical school for resident programs creates monetary savings for TDMHDD in the cost of psychiatric coverage over state or contract employees. Residents typically work for less than \$60,000 while hiring a full time psychiatrist with benefits runs in excess of \$170,000 a year. We are requesting a one year contract in the amount of \$545,957 with the term extension clause giving us the option to amend and renew the contract for an additional four years.</p>	
11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :	In the past the procurement method was a non-competitive process.	
12) Name & Address of the Proposed Contractor's Principal Owner(s) : (not required if proposed contractor is a state education institution)	N/A, UT is state education institution.	
13) Evidence of the Proposed Contractor's Experience and Length of Experience Providing the Service :		

<b>14) Documentation of Office for Information Resources Endorsement :</b> (required <u>only</u> if the subject service involves information technology)		
<b>select one:</b>	<input checked="" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>15) Documentation of Department of Personnel Endorsement :</b> (required <u>only</u> if the subject service involves training for state employees)		
<b>select one:</b>	<input checked="" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>16) Documentation of State Architect Endorsement :</b> (required <u>only</u> if the subject service involves construction or real property related services)		
<b>select one:</b>	<input checked="" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :</b>		
MMHI has utilized the services from UT for many years since it is the only medical school in West Tennessee that can provide the needed psychiatric care for our service recipients.		
<b>18) Justification of Why the State Should Use Non-Competitive Negotiation Rather Than a Competitive Process :</b> (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)		
UT is the only medical school in West Tennessee that can provide the psychiatric coverage needed at MMHI. Currently, MMHI uses the services of UT to provide psychiatric coverage to the service recipients at MMHI and the arrangement has been beneficial to both state agencies.		
<b>REQUESTING AGENCY HEAD SIGNATURE &amp; DATE :</b> ( <u>must</u> be signed & dated by the <u>ACTUAL</u> procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)		
		
Agency Head Signature		Date

# CONTRACT SUMMARY SHEET

61-104478  
021908

<b>RF#</b>	<b>Contract #</b>
339.17-961	ED-09-24933-00

<b>State/Agency</b>	<b>State/Agency/DIVISION</b>
TDMHDD	MEMPHIS MENTAL HEALTH INSTITUTE

<b>Contractor Name</b>	<b>Contractor ID# (FEIN or SSN)</b>
UNIVERSITY OF TENNESSEE	X   C- or V- 62-6001636-R3

<b>Service Description</b>
PSYCHIATRISTS (2 PSYCHIATRISTS & 3 PSYCHIATRIC RESIDENTS)

<b>Contract BEGIN Date</b>	<b>Contract END Date</b>	<b>Subrecipient or Vendor?</b>	<b>GFDA #</b>
7/1/2008	6/30/2009		

<b>Mark Each TRUE Statement</b>	
<input type="checkbox"/> Contractor is on STARS	<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts

<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Funding Grant Code</b>	<b>Funding/ Subgrant Code</b>
339.17	302210	25Z407	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2009				\$ 545,957.00	\$ 545,957.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ 545,957.00	\$ 545,957.00

<b>COMPLETE FOR AMENDMENTS ONLY</b>			<b>State/Agency/Fiscal Contact &amp; Telephone</b>
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FY	Base Contract & Prior Amendments	THIS Amendment ONLY	GENE WOOD (615) 532-6676
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<b>State/Agency/Budget Officer Approval</b>		
<i>Gene Wood</i>		

<b>Funding Certification</b> (certification required by T/C/A/S 9-15/13 (that there is a balance in the appropriation from which the obligated expenditures required to be paid that is not otherwise encumbered to pay obligations previously incurred)		

TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
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<b>Contractor Ownership</b> (complete for ALL base contracts - N/A to amendments or delegated authorities)					
--	--	--	--	--	--

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government	
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT Minority/Disadvantaged	<input type="checkbox"/> Other	

<b>Contractor Selection Method</b> (complete for ALL base contracts - N/A to amendments or delegated authorities)					
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<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation*	<input type="checkbox"/> Alternative Competitive Method*	<input type="checkbox"/> Other*		
<input checked="" type="checkbox"/> Non-Competitive Negotiation*	<input type="checkbox"/> Negotiation w/ Government (ID, GG, GU)	<input type="checkbox"/> Other*			

<b>Procurement Process Summary</b> (complete for Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)					
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PROCESS

11 9

RECEIVED  
JUL 1 2009  
OFFICE OF  
MANAGEMENT & SERVICE

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES  
MEMPHIS MENTAL HEALTH INSTITUTE  
AND  
UNIVERSITY OF TENNESSEE**

This Contract, by and between the State of Tennessee, Tennessee Department of Mental Health and Developmental Disabilities, Memphis Mental Health Institute hereinafter referred to as the "State" and The University of Tennessee, hereinafter referred to as the "Contractor," is for the provision of Psychiatric and Medical coverage (Psychiatrists and Residents), as further defined in the "SCOPE OF SERVICES."

Contractor Federal Employer Identification Number: (V626001636 R3)

**A. SCOPE OF SERVICES:**

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.

A.2. Service Definition:

The Psychiatric Residency program is one in which the Contractor is to provide the State with three (3) psychiatric residents (hereinafter referred to as Residents) to assist in providing medical and psychiatric coverage to service recipients admitted to the Memphis Mental Health Institute (MMHI) on the units to which the Residents are assigned. The Contractor shall further provide two (2) psychiatrists to serve as Supervisor of the Residents assigned to the units.

A.3. Service Recipients:

Persons admitted to MMHI who are in need of medical and psychiatric services.

A.4. Structure:

a. The Contractor shall provide the State with three (3) Residents currently enrolled in University of Tennessee School of Medicine, Department of Psychiatry Resident Training Program to assist in providing medical and psychiatric coverage to service recipients as identified in A.3.

b. Residents shall be assigned to MMHI for a period of not less than three (3) months in order to insure basic continuity in the provision of services.

c. The Contractor shall provide the State with two (2) full time psychiatrists to provide psychiatric and medical coverage to MMHI .

d. The Contractor shall ensure that all services are provided at a standard of care which shall at least be comparable to the standards set by the Joint Commission and shall also include all medical and psychiatric services as deemed necessary to comply with:

- i. Joint Commission;
- ii. MMHI Policy;
- iii. Acute Treatment Program Procedures and Forensic Program Procedures where applicable;
- iv. Medical and Professional Staff Bylaws of MMHI;

- v. Tennessee Code Annotated Title 33 (Mental Health and Developmental Disabilities Law); and
  - vi. Medicare and Medicaid under age twenty-one (21) and Medicaid over age sixty-five (65) standards when applicable.
- e. The Contractor's medical staff providing services hereunder shall participate in all appropriate quality assurance programs, including utilization review at MMHI.
  - f. The Contractor shall have a Tennessee Bureau of Investigation (TBI) finger print check performed at MMHI as required by the new State policy for any Contractors and their staff who are to have contact with MMHI service recipients before being allowed to work at MMHI. The cost of the finger print check shall be credited against the invoice amount paid to the Contractor.
  - g. The State shall not be responsible for accidents or injuries occurring during the hours the Contractor's personnel are on State property, unless directly resulting from the negligence of the State, its employees or agents. Any claims for personal injury or property damages shall be filed with the Claims Commission for the State of Tennessee, and damages recoverable shall be expressly limited to claims paid by the Commission.

A.5. Process:

- a. A committee shall be maintained to include representatives of MMHI and UT-affiliated units to monitor the performance of all parties, to recognize and address potential and actual problems arising in connection with the services hereunder, and to seek ways to develop and enhance the relationship between TDHMDD and UT. This committee shall be known as the "Collaborative Group".
- b. The Contractor shall provide supporting documentation which shall serve as evidence of performance.
- c. The three (3) Residents shall work under the supervision of the Psychiatrist covering the units to which the Residents are assigned.
- d. The average daily census (ADC) shall remain, whenever possible, at or below the nominated capacity for the unit.
- e. The Contractor shall ensure that psychiatrists allocate a minimum of eighty percent (80%) of their effort covered by this Contract to clinical responsibilities. The remaining twenty percent (20%) may be allocated to academic and research activities at UT and MMHI. The said twenty percent (20%) time may be spent on academic and research efforts at UT if approved in advance by MMHI. Requests for such time must be submitted by the Chair of the Department of Psychiatry at UT or his designee, describing the academic or research work being done, duration of the project, with a recommended schedule. MMHI will approve any request which does not conflict with the hospital's operational needs. This time allocation is comparable to that found in other academic/state affiliations. It shall be mutually understood that no UT service recipient care activity will occur during the hours per week covered by this Contract. It is further understood that MMHI service recipient care activity takes priority over academic or research activity during this same time period.

**B. CONTRACT TERM:**

- B.1. Contract Term. This Contract shall be effective for the period commencing on July 1, 2008 and ending on June 30, 2009. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract, and shall be based upon payment rates provided for in the original Contract.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Five Hundred Forty Five Thousand Nine Hundred Fifty Seven Dollars (\$545,957.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.
  - a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
  - b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Two (2) Psychiatrist-Staff	\$932.44 ea/day
One (1) Resident-1 <sup>st</sup> year	\$229.18/day
One (1) Resident-2 <sup>nd</sup> year	\$240.19/day
One (1) resident-4 <sup>th</sup> year*	\$251.80/day
*Residency not used for 3 <sup>rd</sup> year students	

The Contractor will be allowed a maximum number of billable days per position per contract as follows:

Full-time Psychiatrist (2) will be allowed up to 1,672 hours or 209 days.

Resident-1<sup>st</sup> year will be allowed up to 1,760 hours or 220 days.

Resident-2<sup>nd</sup> & 4<sup>th</sup> year will be allowed up to 1,720 hours or 215 days.

- c. The Contractor shall not be compensated for travel time to the primary location of service provision.
  - d. A "day" shall be defined as a minimum of eight (8) hours of service. If the Contractor provides fewer than eight (8) hours of service in a standard twenty-four (24) hour day, the Contractor shall bill *pro rata* for only those portions of the day in which service was actually delivered. The Contractor shall not bill more than the daily rate even if the Contractor works more than eight (8) hours in a day.
- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.
- a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:  
  
Memphis Mental Health Institute, 951 Court Avenue, Memphis, TN 38103
  - b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.
    - (1) Invoice/Reference Number (assigned by the Contractor);
    - (2) Invoice Date;
    - (3) Invoice Period (period to which all invoiced charges are applicable);
    - (4) Contract Number (assigned by the State to this Contract);
    - (5) Account Name: TDMHDD, Memphis Mental Health Institute;
    - (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
    - (7) Contractor Name;
    - (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
    - (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
    - (10) Contractor Remittance Address;
    - (11) Complete Itemization of Charges, which shall detail the following:
      - i. Service Description for each service invoiced;
      - ii. Number of Units, Increments, or Milestones of each service invoiced;
      - iii. Applicable Payment Rate (as stipulated in Section C.3.) for each service invoiced;
      - iv. Amount Due by Service;
      - v. Total Amount Due for the invoice period.
  - c. The Contractor understands and agrees that an invoice to the State under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) not include any future work but will only be submitted for completed service; and
- (3) not include sales tax or shipping charges.

d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.

e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.

C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. Pursuant to *Tennessee Code Annotated*, Section 9-4-604, the State is not to issue warrants for payments to persons who are in default to the State until such arrearages are paid. If applicable to the Contractor, the Contractor agrees that, should such an arrearage exist during the term of this Contract, the State shall have the right to deduct from payments due and owing to the Contractor any and all amounts as are necessary to satisfy the arrearage. Should a dispute arise concerning payments due and owing to the Contractor under this Contract, the State reserves the right to withhold said disputed amounts pending final resolution of the dispute.

#### D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least ninety (90) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Any liability of the Contractor to the State and third parties for any claims, losses, or costs arising out of or related to acts performed by the Contractor under this agreement

shall be governed by the Tennessee Claims Commission Act, *Tennessee Code Annotated*, Section 9-8-301, *et seq.*

- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract below pertaining to "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.8. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.9. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.10. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.11. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services.
- D.12. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.13. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, natural disasters, riots, wars, epidemics or any other similar cause.
- D.14. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.15. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties'

agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.16. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Linda C. White, Fiscal Director  
Memphis Mental Health Institute  
951 Court Avenue  
Memphis, TN 38103  
Linda.White@state.tn.us  
Telephone # (901) 577-1821  
FAX # (901) 527-1324

The Contractor:

Ileen Mills  
University of Tennessee Department of Psychiatry  
135 North Pauline  
Memphis, TN 38105  
AMills@utmem.edu  
Telephone # (901) 448-5631  
FAX # (901) 448-5540

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date.
- E.4. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and

ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.5. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.6. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.7. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this Contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

E.8 Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

E.9. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.10. Rule 2 Compliance. The State and the Contractor shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 CFR § 2.1 et seq.

- a. The Contractor warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations, and will comply with all applicable requirements in the course of this Contract.
- b. The Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and the Contractor in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.

E.11. Professional Practice. The Contractor shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Contractor's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Contract.

IN WITNESS WHEREOF:

UNIVERSITY OF TENNESSEE:



JUN 17 2008

CONTRACTOR SIGNATURE  
Anthony A. Patton  
Vice Chancellor  
Finance & Operations

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES :

Virginia T. Betts 6-30-08  
VIRGINIA T. BETTS, MSN,JD,RN,FAAN, COMMISSIONER DATE

APPROVED:

M.D. Goetz, Jr. Jr 7-3-08  
M. D. GOETZ, JR., COMMISSIONER DATE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

John G. Morgan 7/2/08  
JOHN G. MORGAN, COMPTROLLER OF THE TREASURY DATE